

Hr practices at dominos assignment



IBS HYDERABAD Case Study on: HR PRACTICES AT DOMINO'S PIZZA {draw:
frame} Submitted to: Dr. G. Prageetha Raju Date: 4th January 2010

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(09BSHYD0911) HR POLICIES AT DOMINO'S PIZZA _ “ According to the

recently held Hewitt Best Employer Survey, Domino's Pizza India Ltd. has

been ranked as the Best Employer in the Quick Service Restaurant (QSR)

industry in India.

Domino's has been ranked 9th among all companies in India and is the only

QSR company to be featured in this elite list, biennial feature that ranks

companies according to their HR quotient in India and Asia. Specifically, the

survey uses four parameters to distinguish best employees from other

companies. These include effective and committed leadership, CEOs ,

Ownership of talent and leadership development, high performance work

force, effective HR policies and strong customer focus. _ Patti Wilmort,

Executive Vice President, PeopleFirst, Domino's Pizza. INTRODUCTION In

April 2009, Domino's Pizza India Ltd has been ranked 9th on “ 25 Hewitt Best

Employers in India 2009” as published in Outlook Business (dated 2nd April,

2009). In the same year, a distinctly gross incident was reported from

Conover, North Carolina where two Domino's Pizza employees indulged in

unethical and unhygienic behavior. With widespread dissatisfaction among

customers, the two accused were promptly charged and arrested.

The company's stance was that it was the franchisee stores responsibility to

hire competent employees whereas these stores didn't provide any

comments. This appears to be in stark contrast to the uniform HR Policies to

be followed by Domino's Pizza franchisees across the stores. BACKGROUND NOTE The first origination of Dominoes Pizza was actually a small store run by a person names Dominick Di Varti at the Michigan University campus. It was run under the name " Dominick's Pizza". Subsequently, it was bought by brothers Thomas S. Monaghan and James S.

Monaghan in 1960. However, within 8 months, James quit and traded in his shares for a second hand car. Tom, now the sole owner, renamed the store " dominoes pizza" to not only revitalize the brand but also to avoid any confusion with " Dominick Pizza" which still continued to exist. Tom also based his business on the then little known " franchise" model which encouraged people to open Dominos Pizza stores in the neighborhood. These franchisees in return paid royalties from sales. The first franchisee store was opened in Ypsilanti, Michigan in 1967.

The current logo of dominos was introduced in 1975 with the 3 dots representing the first three stores of dominos to have started operations. By 1982, the company had started to enter the international market and established Domino's Pizza International. It s first international store was in Winnipeg, Canada which opened on May 12, 1983. That very same year Dominos also opened its 1000th overall store. By 1988, it s presence had expanded across 6 continents. Dominos founder Tom, has been given credit for the initial success of the pizza chain largely due to it s franchisee structure and also due to its innovations.

The company went to great lengths to ensure that a piping hot pizza was delivered to the customer on time by promising a pizza delivered within 30

minutes, introducing corrugated pizza boxes to prevent moisture from seeping into the pizza, use of portable electrical heat bags called “ Heat wave” and also various other appliances like dough mixers, conveyor ovens and pizza screens which later on went on to establish industry standards. However, in 1998, after nearly 38 years of ownership, Tom Monaghan sold his 93% stake to Bain Capital Inc. for a whopping \$1 bn.

He still continued on the Board as Chairman Emeritus and David A. Brandon was appointed Chairman and Chief Executive Officer. In the new millennium, dominos also revamped its menu and relocated and redesigned stores mainly to gain back its market share which had been taken away by its competitors Pizza Hut and Papa Johns Pizza etc. Even in the international market, dominos chose to exit loss incurring markets and focused on expansion in profitable markets like India, France, and Australia. In 2001, it also launched a partnership with Make A Wish Foundation in USA. It also gave round 12000 pizzas to relief workers of September 11 terror attacks in Washington D. C. 2004 marked the year when after 44 years of being a private company, Dominos got listed on the NYSE under the symbol DPZ, to raise capital to finance its expansion plans. Dominos pizzas international presence also has been on a steady rise. In Mexico it had 592 stores, making it the largest quick service restaurant. UK alone had 512 stores, 412 in Australia and 227 stores in India. It also has a significant presence in Turkey, Japan and France. As of 2008, the company had a huge outstanding debt of around \$17. billion and even though international sales were rising, the company reported a fall in domestic sales. A key feature of dominos stores are limited or non existent dine-in facilities which therefore erased the need

for staffing facilities. The stores were generally small, inexpensive to build with a limited menu and few side dishes. This enabled to pursue a focused approach to the business which ultimately led to its success worldwide.

DOMINOS CULTURE Domino's Pizza people are essentially all the same. They live for the excitement of being “Fast and Nice,” a phrase said by the Chairman and CEO, Dave Brandon, in 2005.

Imagine working with dedicated and motivated team members in more than 55 countries around the world, making and delivering delicious meals one million times a day to the families. Vision Exceptional franchisees and team members on a mission to be the best pizza delivery company in the world.

EXHIBIT I Mission Statement and Guiding Principles make up the core commitments that govern a business decisions. Domino's Pizza is committed to an inclusive culture which values the contributions of its customers, team members, suppliers and neighbors.

The governing philosophies are communicated to every team member, with a promise that they are committed to providing an environment in which: Team members are treated fairly. Team members are recognized and rewarded based on ability and merit for their contributions. Team members have equal access to opportunity for growth and advancement. Team members respect each other and are free from harassment, discrimination, and intolerance. The management and development of our team members is recognized as crucial to the success of the business.

They motivate and train the team members to understand that ordering from Domino's is all about creating an experience that will bring a smile on the

face of the customers. The Domino's Pizza Team is hard working, committed to excellence and serious about having fun. DOMINOS HR POLICY WITH FRANCHISEES Known for its distinct Human resource policies, Dominos Pizza marvels its HR department naming it People's First. The employees doesn't have the typical clothing lines but hats, shirts and accessories which are the ways to dress them hipper and cooler and still be representative of the Domino's brand at work.

The philosophy of " One brand, one company and one system" is reflected in everything the employees do. Domino's provides a range of training sets for franchisees and uses the corporate locations as key proving grounds for product development and human resource management procedures.

Compliance is a critical issue for franchise companies and Domino's devotes extensive resources to training franchisees to stay out of labor- and workplace-related trouble. Domino's also holds 20 labor law seminars each year around the country presented by local firms to discuss the basics of employment law.

When a new law or regulation is passed, the franchisor follows with a newsletter to franchisees with an interpretation of its impact for the business. Franchisees can also contact the People First support team to ask questions about the laws and how to interpret and apply them in their stores. In the long run, it's the attitude and the service customers will remember about the company's brand. RECRUITMENT AND SELECTION AT DOMINOS Self confessedly, Dominos Pizza requires " Exceptional People on a mission to be the best pizza delivery company in the world".

The core of the business lies in its expertise and commitment to the customer to deliver their choice of pizza on time. The team required need to be passionately dedicated to their work and to provide a hot pizza on time. Dominos Pizza strives to convert the mundane task of ordering pizza a pleasant and memorable experience which keeps their customers happy. Thus, there are different options available to franchisees and store owners to train their teams to meet and uphold the standards set by Dominos.

The University of Pizza provides training programs to such employees along with several other world class training programs which are at the disposal of Dominos franchisee owners. A pizza delivery expert is the face of the company to their customers and thus they are required to have a number of skills. They represent the brand and image to the customers and not only deliver a great meal but also courteously and at the convenience of the customer. They are additionally required to provide accurate exchange, take payment and work with their team as a proactive team member.

Hence, recruitment and training program play a very important role in nurturing and identifying potential team members which will boost sales and lead to growth of the company. People who have a drive to succeed, right attitude and approach to hard work and a thirst to learn are welcomed. The recruitment process at Dominos Pizza has several stages and is also dependent on the success rate of the vacancy. Those candidates are shortlisted for selection whose applications match the skills, experience, attitude and temperament required for the job.

Further interviews are also conducted before the final offer is made. E-recruitment is also being undertaken among the franchisee and store owners. Joseph Abraham, vice president of compensation, benefits and shared services for Domino's Pizza, explained that the company wanted to reorganize the way it hired its hourly staff as they required somewhat differentiated expertise and skill. He added that "recruiting for hourly workers requires unique knowledge, processes and practices". In March, last year, Dominos Pizza had launched a website to fill around 2500 vacancies in Australia.

The site www.dominosjobs.com.au provides all relevant employment information for job application and helps franchisees by providing information to recruit staff quickly and effectively in stores. This site has now become their main recruitment tool with easy access to information such as job vacancies which is regularly updated. The site also provides information to job applicants regarding what the job demands of them, view the vacancies and even play an interactive dominos pizza delivery game. New Zealand has also followed this model to fill its 500 vacancies in Dominos Pizza stores.

TRAINING AND DEVELOPMENT AT DOMINO'S HR-related training is actually a franchisor product paid for by the franchisee and delivered as a required part of the license agreement with a franchisor. Successful human resource management and, in particular, management training is critical to the relationship between franchisors and their franchisees. Properly trained employees are critical to brand protection as well as franchisee success.

Excellent service, delivered by employees with appropriate management training, drives marketing of the brand.

As part of its new Franchisee-in-Training (FIT) program, Domino's has positions open for enthusiastic individuals seeking exciting careers in business ownership. Domino's is looking for college graduates in entrepreneurial programs and military veterans among others who would like the chance to someday own their own business. To prepare and develop these future entrepreneurs, Domino's will introduce them to a 24-36 month hands-on program that focuses on the operations and business management aspects of the company. Job responsibilities in the Franchisee-in-Training program include the following: Assistant Manager

General Manager
Manager of Corporate Operations in Training
Manager of Corporate Operations
In order to maintain the position of world class leader in pizza delivery they need to generate a strong pipeline of franchisees by recruiting highly motivated, energized, men and woman who wants to become successful in their lives. These people are being chosen through a training program focusing on the keys of the successful business model like developing phenomenal people, delivering the best product and service, implementing aggressive marketing plans and strong business management skills.

Coupled with their in-store operations training, FIT program participants engage in targeted business and operations training including Domino's High Performance General Manager Training, Effective Supervision Training, Franchise Development Training, and Advanced Computer Training.

EMPLOYEE DEVELOPMENT Domino's People First department is a unique development program for early career human resource professionals to complete a defined career development plan, gaining experience and knowledge in all the areas possible. Domino's

Pizza is committed to the development of the participants and has selected positions that support their progression with the expectation that they are investing in the future leaders of the department. The program is only successful if the participant is equally committed to their development and responsibilities. They expect candidates to get as much as they can from each rotation and willingly support the company's objectives, no matter where the position is located. Each participant is required to complete three rotations.

Two of the rotations will be in a core assignment that all participants must complete, and the third will be one of the additional assignments. Core Assignments: Shared Services Maintain team members' electronic records. Marketplace (corporate market): Support team members in resolving employee relations issues Coordinate staffing and retention initiatives Additional Assignments: Franchise/Employee Relations Compensation Benefits Training & Implementation Program Learning & Development Human Resource Information Systems COMPENSATION POLICY OF DOMINO'S

Domino's pizza recognizes the best way to achieve success is to first ensure the satisfaction of its team members. Treating team members exceptionally well is just one way we are committed to putting our people first. Domino's is proud to provide a fair and comprehensive rewards package. Below are few

of the generous benefits available to Domino's team members. Competitive salaries Medical, dental and vision coverage Prescription drug benefit Partners Foundation (team member assistance) 401(k) Matching Program Employee stock purchase discount plan Life insurance

Educational assistance National company discounts Express Pay Card

KITCHEN VIDEO TAINTS DOMINO'S BRAND Anytime anyone eats out they are putting their full trust in complete strangers. Makes a person think twice. I've had my bad experiences. What about you? The video goes on like this: " This is our special Italian Sandwich," says Kristy on a YouTube video. At the same time, Michael puts cheese in his nose and then on a Domino's sandwich. He also fakes a sneeze, but breathes all over the sandwiches. Then, Michael touches it as if burying what came out of his nose.

He then farted on salami that goes on these sandwiches and In about five minutes it'll be sent out on delivery where somebody will be eating these, yes, eating them, and little did they know that cheese was in his nose and that there was some lethal gas that ended up on their salami, Kristy said. Now that's how we roll at Domino's. It gets even worse when Michael grabs a sponge and pulls his pants down, wipes himself and then washes dishes. In a few days, the video had been viewed more than a million times on YouTube.

References to it were in five of the 12 results on the first page of Google search for " Dominos," and discussions about Domino's had spread throughout Twitter. Interestingly, Dominos blames the internet: " The opportunities and freedom of the internet is wonderful," the statement reads. " But it also comes with the risk of anyone with a camera and an

internet link to cause a lot of damage, as in this case, where a couple of individuals suddenly overshadow the hard work performed by the 125, 000 men and women working for Domino's across the nation and in 60 countries around the world. " But the crisis was not over for Domino's. We got blindsided by two idiots with a video camera and an awful idea," said Tim McIntyre, who added that the company was preparing a civil lawsuit. " Even people who've been with us as loyal customers for 10, 15, 20 years, people are second-guessing their relationship with Domino's, and that's not fair. " In just a few days, Domino's reputation was damaged. The perception of its quality among consumers went from positive to negative just after the incidence, according to the research firm YouGov, which holds online surveys of about 1, 000 consumers every day regarding hundreds of brands.

It's the toughest situation for a company to face in terms of a digital crisis. The franchisee brought in the local health department, which advised him to discard all open containers of food, which cost hundreds of dollars, Mr. McIntyre said Ms. Hammonds apologized to the company in an e-mail message Tuesday morning. " It was fake and I wish that everyone knew that" she wrote. " I AM SOO SORRY! " After 3 days of video being on the net, it had been removed from YouTube because of a copyright claim from Ms. Hammonds. As the company learned about the video the next day, Mr.

McIntyre said, executives decided not to respond aggressively, hoping the controversy would quiet down. As the company learned about the video, Domino's had created a Twitter account at dpzinfo, to address the comments, and it had presented its chief executive in a video on YouTube as well. " It elevated to a point where just responding isn't good enough," Mr.

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SELECTION TRAINING AND DEVELOPMENT COMPENSATION POINTS OF DISCUSSION UNDERSTANDING THE EMPLOYEE RELATED ISSUES AT DOMINO'S. HANDLING PUBLIC RELATIONS. IS THE RECRUITMENT AND SELECTION PROCESS INFALLIBLE AND WHERE WAS THE LOOPHOLE IN THE WAY DOMINO'S EXECUTED IT? DISCIPLINARY ACTIONS WHICH SHOULD BE TAKEN.